

Message Text

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TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: APUB, BR

SUBJ: PRESS RELEASE ON EXIMBANK CREDITS TO BRAZIL

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE TWO
DIRECT CREDITS TOTALLING DOLS 22,698,000 TO VASP OF SAO PAULO.
RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C.
FOR A.M. PAPERS, WEDNESDAY, APRIL 10, 1974.

QUOTE: EXIMBANK SUPPORTS DOLS 50 MILLION IN SALES
OF U.S. AIRCRAFT AND EQUIPMENT TO BRAZIL

TO SUPPORT SALES TOTALLING DOLS 50,440,000 FOR U.S. JET AIRCRAFT,
RELATED SPARE PARTS AND SERVICES, THE BOARD OF DIRECTORS OF THE
EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED TWO
DIRECT CREDITS TOTALLING DOLS 22,698,000 IN FAVOR OF VIACAO AEREA
SAO PAULO, S.A. (VASP) OF SAO PAULO, BRAZIL, ACCORDING TO
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EXIMBANK'S CHAIRMAN WILLIAM J. CASEY.

ONE EXIMBANK CREDIT OF DOLS 14,823,000 WILL FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS OF FIVE BOEING 737-200 JET AIRCRAFT WITH RELATED GOODS AND SERVICES COSTING DOLS 32,940,000. A LOAN OF DOLS 14,823,000 FROM FIRST NATIONAL CITY BANK, NEW YORK, WILL FINANCE ANOTHER 45 PERCENT OF THE TOTAL U.S. COSTS. VASP WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OR DOLS 3,294,000.

DELIVERY OF THE AIRCRAFT BY THE BOEING COMPANY OF SEATTLE, WASHINGTON, WILL BE MADE DURING THE PERIOD AUGUST THROUGH NOVEMBER, 1974.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING AUGUST 5, 1975, WITH EXIMBANK'S DIRECT LOAN OF DOLS 14,823,000 TO BE REPAID OUT OF THE LAST 10 INSTALLMENTS.

THE SECOND EXIMBANK LOAN IS FOR DOLS 7,875,000 AND WILL FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS OF FOUR USED 737-200 JET AIRCRAFT AND A 737 SIMULATOR WITH RELATED SPARE PARTS AND SERVICES COSTING DOLS 17.5 MILLION. FIRST NATIONAL CITY BANK WILL ALSO PROVIDE A CREDIT OF DOLS 7,875,000 TO COVER ANOTHER 45 PERCENT OF THE U.S. COSTS AND VASP WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OR DOLS 1,750,000. PACIFIC SOUTHWEST AIRLINES OF SAN DIEGO, WILL BE THE SUPPLIER OF THE USED 737S AND 737 SIMULATOR.

THE LOANS ARE TO BE REPAID IN 14 SEMIANNUAL INSTALLMENTS BEGINNING OCTOBER 5, 1974, WITH EXIMBANK'S DIRECT LOAN OF DOLS 7,875,000 TO BE REPAID OUT OF THE LAST 7 INSTALLMENTS.

INTEREST ON THE TWO EXIMBANK CREDITS DESCRIBED ABOVE IS TO BE REPAID AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. REPAYMENT IS TO BE GUARANTEED BY BANCO DO ESTADO DE SAO PAULO, S.A. UNQUOTE. KISSINGER

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